STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Ameren Transmission Company of Illinois	:	
Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Illinois Public Utilities Act, to Construct, Operate and Maintain an New High Voltage Electric Service Line and Related Facilities in the Counties of Adams, Brown, Cass, Champaign, Christian, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby, Illinois.	:	Docket No. 12-0598 (on Rehearing)

BRIEF ON EXCEPTIONS OF THE STAFF OF THE ILLINOIS COMMERCE COMMISSION

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The Staff of the Illinois Commerce Commission ("Staff"), by and through its counsel, and pursuant to Section 200.830 of the Commission's Rules of Practice, (83 Ill. Adm. Code 200.830), respectfully submits its Brief on Exceptions to the Proposed Second Order on Rehearing ("ALJPO" or "Proposed Order") issued by the Administrative Law Judge ("ALJ") on January 17, 2014 in the above-captioned matter.

I. INTRODUCTION

This matter comes before the Commission on rehearing from its August 20, 2013 Final Order in the proceeding. On September 18, 2013 the Commission granted Andrew

and Stacy Robinette's (Robinette's) Application for Rehearing ("1st Rehearing"), and on October 2, 2013 granted Applications for Rehearing filed by the Ameren Transmission Company of Illinois (ATXI), the Coalition of Property Owners and Interested Parties in Piatt, Douglas and Moultrie Counties (PDM) and Channon Family Trust (CFT), the Morgan, Sangamon, and Scott Counties Land Preservation Group (MSSCLPG), and the Midcontinent Independent System Operator, Inc. (MISO) ("2nd Rehearing"). Thereafter various parties submitted testimony for purposes of the 2nd Rehearing. An evidentiary hearing on the 2nd Rehearing was held on December 17-19, 2013.

The following parties filed initial briefs ("IB") on the 2nd Rehearing in this proceeding: ATXI; Louise Brock-Jones Limited Partnership ("Brock-Jones"); Paula Cooley; Edward Corley and Edward Corley Trust ("Corley"); Moultrie County Property Owners ("MCPO"); Midcontinent Independent System Operator, Inc. ("MISO"); Morgan, Sangamon, and Scott Counties Land Preservation Group ("MSSCLPG"); Coalition of Property Owners and Interested Parties in Piatt, Douglas, and Moultrie Counties along with Channon Trust (together, "PDM/CFT"); Justin Ramey and Ann Raynolds ("Raynolds/Ramey"); Eric and Julia Sprague ("Sprague"); and Staff. The following parties filed reply briefs ("RB") on the 2nd Rehearing in this proceeding: ATXI; Louise Brock-Jones Limited Partnership ("Brock-Jones"); Paula Cooley; Edward Corley and Edward Corley Trust ("Corley"); Moultrie County Property Owners ("MCPO"); Midcontinent Independent System Operator, Inc. ("MISO"); Morgan, Sangamon, and Scott Counties Land Preservation Group ("MSSCLPG"); Coalition of Property Owners and Interested Parties in Piatt, Douglas, and Moultrie Counties along with Channon

Trust (together, “PDM/CFT”); Macon County Conservation District (“MCCD”); Eric and Julia Sprague (“Sprague”); and Staff.

II. EXCEPTION 1: PROCEDURAL HISTORY

The second complete paragraph on page 3 of the ALJPO, in the “Procedural History” section, ends with a partial sentence. Staff suggests a modification to eliminate the incomplete sentence as shown below:

> Pursuant to Section 2-107 of the Act, the Commission must accept from Illinois residents' comments on matters before the Commission through its website and toll-free telephone number. From August 20, 2013 and as of January 16, 2014, the Commission received approximately 62 comments. Several of those submitting comments did not identify which segment of the transmission line that they are concerned with. Of those who did identify their area of concern, a majority of them expressed their objection to constructing the transmission line in Piatt and Douglas Counties, along the route proposed by Moultrie PO. ~~Others opposed construction of the~~

III. EXCEPTION 2: CONNECTION THROUGH KINCAID VERSUS PANA

On page 16, within the Commission Findings for the “Connection through Kincaid versus Pana” section, the ALJPO indicates that Staff's proposed route apparently passes through land owned by MCCD. Staff and ATXI each explained that Staff’s alternative route instead passes along the MCCD parcel’s southern property line and need not pass through MCCD property at all. (Staff IB, 13-14; ATXI IB, 32.)

Staff proposes the following modifications to the 3rd paragraph of the Commission’s Conclusion on page 16 of the ALJPO:

> Staff, ~~to its credit,~~ makes ~~good~~ compelling arguments in support of a Kincaid connection. The Commission ~~appreciates~~ adopts Staff's

particular suggestions for addressing ATXI's concerns. ~~But in light of the overall~~ATXI suggests that uncertainty surrounding Staff's proposed Kincaid connection is an adequate reason to reject it, but the Commission is reluctant to set aside ~~ATXI's Pana~~Staff's Kincaid connection. ~~For example, Staff's proposed route apparently passes through land owned by MCCD, which arguably can not be acquired for a transmission line easement.~~ The Commission recognizes that Staff did the best it could in the limited time available. ~~Had more time existed in this proceeding, a different outcome may have been the result.~~

IV. EXCEPTION 3: DECATUR RELIABILITY ISSUES

Due apparently to concern about reliability in the Decatur area, the ALJPO does not adopt the lower cost Kincaid connection, and does not adopt, Ms. Cooley's recommendation to withhold judgment on routing between Pawnee and Mt. Zion in this proceeding. (ALJPO, 16.) Insofar as the ALJPO finds that there is too much uncertainty surrounding use of the Kincaid connection (ALJPO, 16.), it should adopt Ms. Cooley's recommendation to withhold judgment. Reliability risk for the Decatur area can be easily avoided if ATXI constructs the Kansas to Mt. Zion segment sooner than ATXI Ex. 2.4 suggests that it will do so. (Staff RB, 9.) Furthermore, regardless of the Commission's decision on Pawnee to Mt. Zion routing, the Decatur area will receive no reliability benefits from the Illinois Rivers Project until AIC separately constructs new 138 kV transmission lines to connect the Illinois Rivers Project to the Decatur area. (Staff Ex. 2.0, 10.) Since ATXI and AIC elected not to include the 138 kV connecting transmission lines as part of this Illinois Rivers Project, though these 138 kV lines are part of the MISO Multi-Value Project Portfolio, AIC will need to request and receive a separate certificate of public convenience and necessity before constructing those 138 kV lines. Deferring a decision on routing between Pawnee and Mt. Zion until after ATXI obtains complete Kincaid routing study results would allow the Commission to compare

all the costs and benefits of a Kincaid connection to all the costs and benefits of a Pana connection and would not negatively impact reliability in the Decatur area. As mentioned, ATXI can supply the Mt. Zion Substation from Kansas and AIC still must file a petition requesting a CPCN for the connecting 138kV transmission lines. A decision to use the Pana connection cannot comply with the least cost requirement of Section 8-406.1 if a lower cost alternative Kincaid connection can adequately satisfy project requirements.

Based upon the above explanation, the last paragraph in the Commission Conclusion section on page 16 of the ALJPO should be modified as shown below:

> The Commission also recognizes that it could adopt Ms. Cooley's position and withhold judgment on this question at this time. But ~~given the reliability concerns for the Decatur area, deferring action in this case will only increase the likelihood that those reliability concerns will not be resolved until well after 2016. Accordingly,~~ the Commission concludes that the evidence available supports a finding that Staff's~~ATXI's original~~ proposal for Pawnee-~~Pana~~ Kincaid and ~~Pana~~Kincaid-Mt. Zion segments is preferable~~ to Pawnee-Kincaid and Kincaid-Mt. Zion segments~~.

In the alternative, if the Commission is concerned that ATXI has not yet adequately vetted all aspects of the lower-cost Kincaid connection to adequately eliminate uncertainty (ALJPO, 16.), it should adopt Ms. Cooley's recommendation to withhold judgment at this time. In such a circumstance, the last paragraph on page 16 should be modified as follows:

> The Commission also recognizes that ATXI has not studied the Kincaid Connection adequately to perform a complete comparison to the Pana Connection benefits and costs. The Commission therefore ~~it could~~ adopts Ms. Cooley's ~~position~~ recommendation and withholds judgment on this ~~question~~ segment of the Illinois Rivers Project at this time. ~~But given t~~The reliability concerns for the Decatur area~~, deferring action in this case will only increase the likelihood that those reliability concerns will not~~ will be

resolved ~~until well after~~ if ATXI constructs the 345 kV segment from Mt. Zion to Kansas and AIC completes its 138kV~~2016~~ transmission lines that connect ATXI's proposed Mt. Zion Substation to the Decatur area while ATXI completes its studies associated with a Kincaid Connection. ~~Accordingly, the Commission concludes that the evidence available supports a finding that ATXI's original proposal for Pawnee-Pana and Pana-Mt. Zion segments is preferable to Pawnee-Kincaid and Kincaid-Mt. Zion segments.~~

Regardless of the Commission's conclusion to either use the Kincaid connection or defer its decision regarding the Pawnee to Mt. Zion routing, the Commission Conclusion section regarding the Pawnee to Pana segment, beginning on page 41 of the ALJPO, should be modified as follows:

Having reached its decision regarding use of the Kincaid connection, the Commission need not further consider a Pawnee to Pana segment~~reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor ATXI's Alternate Route 2 for the Pawnee-Pana portion of the project. Alternate Route 2 is the shortest route and least expensive to construct. This route also has the advantage of affecting the fewest landowners. For several of the other criteria, such as impacts on the environment, historical resources, and social and land use, none of the routes enjoy an advantage over another~~.

~~The one area where Alternate Route 2 places a close second to ATXI's Primary Route concerns proximity to residences. Any shortcoming of Alternate Route 2 in this area, however, would likely be mitigated with the adoption of the modification sought by Ms. Raynolds and Mr. Ramey. The advantages of their proposal are set forth above and will not be repeated here. The Commission's only concern relates to whether landowners affected by the Raynolds/Ramey modification received notice of this proceeding. As noted above, the answer to this question is not entirely clear. What is known is that Ms. Raynolds and Mr. Ramey now believe that all affected landowners have received notice of this proceeding and no party disputes this assertion or objects to the proposed modification. While Ms. Raynolds and Mr. Ramey could have provided better information on this issue, the Commission is not inclined to penalize them for this deficiency and will adopt what by all accounts appears to be~~

~~a reasonable and appropriate modification to ATXI's Alternate Route 2. With this modification, Alternate Route 2 seems to be preferable with regard to proximity to residences. Therefore, the Commission finds that Alternate Route 2 for the Pawnee-Pana segment of the Illinois Rivers Project is the least-cost route when all costs and benefits are taken into account.~~

Similarly, the Commission Conclusion for the Pana to Mt. Zion segment, beginning on page 47, should be modified as shown below:

Having reached its decision regarding use of the Kincaid connection, the Commission need not further consider a Pana to Mt. Zion segment~~Of the four routes for the Pana-Mt. Zion segment, none rises above the others as the clearest choice. In terms of length, all are comparable although the Assumption/ Corzine Route along Highway 51 is the shortest. The Blended Route is the least expensive, totaling nearly $60 million. Exactly how much more the Assumption/Corzine Route would cost is unknown since a total cost estimate for this route does not appear in the record. With regard to the difficulty of construction and maintenance, the Assumption/Corzine Route is arguably the preferred route because Highway 51 facilitates access for the majority of its length~~.

~~Environmental impacts to consider include the clear cutting of Mr. Sprague's timber along the Primary/Blended Routes and the proximity of the Blended Route to MCCD's land. Although not discussed much in the context of the Pana-Mt. Zion segment, MCCD has made clear that it is not willing and/or able to provide ATXI an easement. Other than these considerations, the environmental impacts of the four routes appear to be comparable. The impacts on historical resources and social and land use also appear comparable among the four routes. Although ATXI identified some archaeological sites along the Primary Route and Assumption/Corzine Route, it indicates that the sites can be spanned.~~

~~The number of landowners affected and proximity to homes and other development is difficult to ascertain. The Assumption/Corzine Route would appear to affect the fewest number of landowners. ATXI suggests, however, that selection of this route would necessitate the destruction of two homes on the west side of Highway 51 south of Assumption. ATXI also indicates that this route has more homes closer to the center line than does the Primary Route. But as discussed in the August 20, 2013 Order in this matter, the Commission is reluctant to rely on the "residency~~

assumptions" of ATXI, particularly with regard to the Pana-Mt. Zion segment where Mr. Corzine identified shortcomings in ATXI's methods. (See Order at 9) In addition, having reviewed the record, the Commission can see no reason why adoption of the Assumption/Corzine Route would necessitate the demolition of the identified homes. The land to the east of these homes is unoccupied farm ground.

With regard to community acceptance, none of the routes appears to enjoy a clear preference over another. The visual impact is arguably the greatest along the Assumption/Corzine Route since it would run along a public highway. At the same time, the highway provides the Assumption/Corzine Route a favorable status due to the accessibility it provides as an existing corridor.

In addition to these criteria, the Commission is also confronted with the need to choose a route that ends at Staff's substation Option #2 site. Having to do so will result in the end of Staff's Kincaid route being chosen since it is the only route that ends at substation Option #2. This leaves the Commission with three choices for the remainder of the Pana-Mt. Zion segment: (1) the Blended Route (which includes Staff's Kincaid route), (2) the Assumption/Corzine Route south of Staff's Kincaid route, and (3) ATXI's Alternate Route south of Staff's Kincaid route.

Having the considered the advantages and disadvantages of each route, the Commission finds the Assumption/Corzine Route along Highway 51 the most suitable route. This route is the shortest and most easily accessible. Despite ATXI's assertions, the number of impacted landowners and residences appears to be comparable to the other routes. Moreover, as discussed above, the Commission can discern no reason why any homes would need to be demolished if the Assumption/Corzine Route is chosen. Other than ATXI, no party has objected to the adoption of the Assumption/ Corzine Route. In fact, in the earlier phase of this proceeding, Staff supported its adoption. ATXI should therefore utilize the Assumption/Corzine Route from Pana until it reaches Staff's Kincaid route, at which point ATXI should follow the Staff's Kincaid route east to the substation Option #2 site. Admittedly, this route does not avoid the MCCD property, which is just east of Highway 51. But the Commission trusts that ATXI will work to address this obstacle. If need be, the Commission will entertain requests for a revised route under Section 8-406 to avoid the MCCD land.

V. EXCEPTION 4: MEREDOSIA-PAWNEE SEGMENT

The ALJPO concludes that neither the MSCLTF Route nor the Stipulated Route is preferable based on the criterion "Community Acceptance," (ALJPO, 27.) It is undisputed, however, that more parties in this proceeding support the MSCLTF Route than support the Stipulated Route (Staff IB, 8; ATXI Ex. 9.0 (RH), 8.)

Staff suggests the following modification to the 2nd full paragraph on page 27:

> Regarding "Community Acceptance," ATXI and MSSCLPG each view this as a mark in favor of their preferred route in their IBs. ATXI notes the number of parties who signed on to the Stipulated Route, while MSSCLPG believes the existing transmission line shows the MSCLTF Route already has community acceptance. Since MSSCLPG, MSCLTF, FutureGen, the Pearce family ("Pearce") and Staff would all accept the MSSCLPG Route, more parties would accept the MSCLTF Route than the Stipulated Route ~~The Commission does not believe either choice shows much in the way of more community acceptance than the other, t~~therefore the Commission finds ~~neither~~the MSCLTF Route to be preferable based on this criterion. ~~Likewise, with~~Regarding "Visual Impact," the Commission has previously found that this project will have essentially the same visual impact in either location therefore there is no material difference, and there has been insufficient evidence provided to change this conclusion.

VI. EXCEPTION 5: MEREDOSIA-PAWNEE SEGMENT

In the first paragraph within the Commission Conclusion in Section VI of the ALJPO, the ALJPO mistakenly accepts as fact that the Stipulated Route between Meredosia and Pawnee would reduce the risk of a major outage as compared to the MSCLTF Route. (ALJPO, 26.) The ALJPO then concludes that ATXI's Stipulated Route should be used for the Meredosia to Pawnee segment due to the increased reliability risk associated with the MSCLTF Route. (ALJPO, 28.)

The conclusion in the ALJPO that use of the MSCLTF Route would result in increased reliability risk appears to be based upon the testimony of ATXI witness Jeffery Hackman that paralleling is "undesirable from an operations perspective", and having two lines simultaneously out of service risks the reliability of the transmission system at large. Mr. Hackman also stated that adjoining rights of way are susceptible to common-mode failures, such as weather events. (ALJPO, 27.) With respect to the Meredosia to Pawnee segment, the ALJPO's sole reason for concluding that ATXI's Stipulated Route should be used instead of the MSCLTF Route appears to be a concern that a storm event in the area of the transmission line might simultaneously damage both ATXI's proposed 345 kV line and AIC's existing 138 kV line. The ALJPO's conclusion regarding the reliability of the MSCLTF Route is in error for the following reasons:

- The geographic areas that will be affected by future severe storms is unknown, so assuming that future storm events will damage the parallel transmission lines and not the non-parallel transmission lines is no more than conjecture. Furthermore, ATXI's Stipulated Route and ATXI's Primary Route for the Meredosia to Pawnee segment parallel the exact same AIC 138 kV line as the MSCLTF Route, albeit for a shorter distance. (Staff RB, 12.) There is no reason to conclude that the segment of the line over which ATXI's Stipulated Route parallels AIC's 138 kV line would be less subject to damage due to a severe storm event than would be the segment of the line over the MSCLTF Route parallels AIC's 138 kV line. In other words, if there is concern about paralleling, a concern that the Commission should discount in any case, such a concern is associated with both routes – not only the MSCLTF Route.

- The MSCLTF Route would not result in a less reliable system. A further demonstration that reliability should not be a concern here is that the MSCLTF Route and ATXI's Alternate Route would equally comply with North American Electric Reliability Corporation ("NERC") Reliability Rules. (Staff IB(RH), 6-7.) In other words, the very same contingency studies and reliability considerations would apply to either route. Compared to ATXI's Stipulated Route, the MSCLTF Route provides additional clearances from objects/structures that could be located just outside the right-of-way. (Tr., 200-201, May 13, 2013.) This is the case because, regardless of the route used for the Meredosia to Pawnee segment, the transmission structures will be located near the centerline of a 150-foot wide right-of-way, with roughly 75 feet on either side. (ATXI Ex. 7.1) In the case of ATXI's Stipulated Route between Meredosia to Pawnee, any number of objects or structures could be located just outside the right-of-way about 75 feet on either side of the proposed transmission line: buildings, tall trees, billboards, radio towers, cranes, etc. The ownership of these objects or structures is unknown, as is their ability to withstand storm damage. Such objects or structures could fail during a severe storm, resulting in blown debris flying into and damaging ATXI's proposed 345 kV transmission line. In the case of the MSCLTF Route, while the same objects or structures could exist on one side of the transmission line, it is worthy of note that, on the side that adjoins and parallels AIC's transmission line right-of-way, an additional 50-foot wide clear space would exist, then the existing AIC 138 kV line, then an additional 50-foot wide clear space. Hence, due to the presence of AIC's 100 foot right-of-way,

using the MSCLTF Route and paralleling the existing 138 kV line would provide an approximate 125 foot buffer on one side (75 feet plus 50 feet) to AIC's 138 kV line and a 75 foot buffer on the other.

The point here is that when two transmission lines are on parallel and adjacent but non-overlapping rights-of-way, as would be the case if the MSCLTF Route is used, the rights-of-way for the two transmission lines would provide a buffer for each other. This is because each transmission line would have more clearance from one another than non-paralleled lines have to other objects/structures. (Staff IB, 12-13.) If the MSCLTF Route were used, AIC's existing 138 kV line and ATXI's 345 kV transmission line would provide a lesser risk to each other during a storm event than the risk caused by most other objects/structures that located just outside of the rights-of-way if ATXI's Stipulated Route were used.

- The ALJPO indicates that ATXI's testimony in ATXI Ex. 5.0, along with the photograph in ATXI Ex. 5.2, compels the conclusion that use of the MSCLTF Route would somehow increase the likelihood of damage to transmission lines during severe storms. (ALJPO, 27-28.) An examination of Mr. Hackman's testimony referenced in the ALJPO illustrates that such a conclusion is unwarranted. Mr. Hackman testifies:
  - "The tornadoes touched down north of the existing 138 kV line and, thus, the proposed MSCLTF Alternate Route that the MSSCLPG supports." (ATXI Ex. 5.0(RH), 5.) However, it is irrelevant that tornadoes touched down north of the existing 138 kV line. The tornadoes did not touch down on two transmission lines on parallel adjoining rights-of-way and damage two

transmission lines simultaneously. These same tornadoes also touched down north of ATXI's Stipulated Route, which also parallels the same 138 kV line for several miles east of Meredosia. There is no reason whatever to suppose that tornados are more likely to touch down in the area of the MSCLTF Route than ATXI's Stipulated Route.

- "In the Peoria area, a double circuit tower line, with a 138 kV circuit and a 69 kV circuit, was knocked over by the high winds. ATXI Exhibit 5.2 (RH) shows the downed structure, with the wires for each circuit spread to the edge of the downed transmission lines' right-of-way." (ATXI Ex. 5.0(RH), 5.)

  This assertion should be discounted. The fact that a double circuit tower line (two circuits on the same lattice structures) was blown over in the Peoria area might be relevant if : (1) use of the MSCLTF Route would result in placing the proposed 345 kV line and the existing 138 kV line on the same lattice structures for the Meredosia to Pawnee segment; and (2) ATXI demonstrated that loss of both lines would result in lengthy customer interruptions. That is not the case. In contrast to the facilities pictured in ATXI Exhibit 5.2 (RH), use of the MSCLTF Route would place the new 345 kV line on its own single-shaft steel poles within its own 150-foot wide right-of-way. (ATXI Ex. 7.1) In addition, ATXI's testimony about the downed lines pictured in ATXI Ex. 5.2 (RH) indicates that the downed lines remained within the transmission lines' right-of-way. The downed lines would not have impacted a parallel transmission line on an adjoining right-of-way.

- "In another instance, a 138 kV circuit structure was blown over and fell on a distribution circuit. In contrast, in the Kansas area, a 345 kV circuit experienced the destruction of five structures and damage to the conductors. Notably, this circuit exactly parallels a 138 kV circuit, but with rights-of-way offset more than a mile. The 138 kV circuit suffered no damage and was able to continue to supply the area." (ATXI Ex. 5.0 (RH), 5-6.)

  This contention should likewise be ignored. That a 138 kV circuit structure at some unknown location was blown over and fell on a distribution circuit does not make it more or less likely that a 345 kV structure that is part of the Illinois Rivers Project could someday be blown over onto a distribution circuit – regardless of which route is used for the Meredosia to Pawnee segment. Both routes would result in the proposed 345 kV transmission line crossing existing distribution lines in dozens of locations. Furthermore, the fact that a destroyed 345 kV line did not damage a 138 kV line located more than a mile away does not in any way show that a 138 kV line located on a separate adjoining parallel right-of-way would have been damaged by the destroyed 345 kV line, and Mr. Hackman does not claim that it would have.

It is possible that a tornado or plane crash could simultaneously wipe out two transmission lines when they are placed on adjoining rights-of-way, but the likelihood is very low. (Tr., 200, May 13, 2013.) Mr. Hackman's own testimony, at lines 726-749 of ATXI Ex. 12.0 (Rev.), in response to concerns expressed by intervener JDL Broadcasting about the proximity of ATXI's proposed 345 kV

transmission line route to its radio tower is illustrative as to how such remote risks and costs must be balanced:

> **Q. Both Ms. Spangler and Mr. Ellis raise concern about the proximity of the Primary Route to the JDL Tower given that the tower is 500-feet tall. They contend extreme weather or an aviation-related accident could cause the JDL Tower to collapse on a transmission line pole, or a transmission line pole to fall on the JDL Tower, with disastrous consequences. [citations] How do you respond?**
>
> **A.** Ms. Spangler and Mr. Ellis' concern in this regard is hyperbolic and made without regard to pole placement. Tall trees can fall on the transmission line, and projectiles resulting from tornados can strike the line. Planes can hit the line. For these reasons, paralleling transmission lines is not desirable, as I explain above. Ms. Spangler and Ms. Ellis are conjuring up worse case scenarios without considering their likelihood. A meteor could strike the tower. That would be disastrous. But the cost to construct a radio broadcast tower or a transmission line support pole that is meteor-resistant far outweighs the likelihood either will be struck by a meteor. Ultimately, the risk that one of the events identified by Ms. Spangler or Mr. Ellis will cause either the JDL Tower to collapse or a transmission line pole to fall is quite small, and is outweighed by other routing considerations such as cost. Ms. Spangler and Mr. Ellis concede the likelihood of the tower's collapse is small: the JDL Tower has never collapsed, they do not expect it to collapse, and they agree the tower could collapse whether or not the Project is constructed. [citations] Both Mr. Ellis and Ms. Spangler also recognize there are a number of structures, and an actively farmed Christmas Tree farm within a 500-foot radius of the tower, and that, if the tower collapsed on those structures, there would be damage. [citations] Regardless, because transmission lines can experience outages from various causes, both the planning and operation take such events into account. The collapse of the JDL tower is just one such risk.

As Mr. Hackman himself concluded when contemplating the possible collapse of the JDL tower, the remote risk that some catastrophic event will simultaneously cause an outage to two transmission lines on separate and adjoining rights-of-way, and the consequences thereof, must be weighed against the cost of the alternative route. Regardless of the route used for the Meredosia to Pawnee

segment, since transmission lines can experience outages from various causes, both transmission planners and operation personnel must take such events into account. (ATXI Ex. 12.0(Rev.), 36.) Importantly, taking such events into account occurs through compliance with NERC Reliability Standards, and the same reliability standards would apply to ATXI's transmission line whether constructed on the MSCLTF Route or the ATXI Stipulated Route. (Staff IB(RH), 6-7.)

- Finally, evidence indicates that if a simultaneous outage to ATXI's proposed 345 kV line and AIC's existing 138 kV line occurred, it would not result in customers experiencing a more lengthy service interruption than if only one of the transmission lines experienced an outage. ATXI's project includes a new 345 kV line connecting new substations at Meredosia and Pawnee, with no other connections to the 345 kV transmission line between these two substations. (ATXI Ex. 2.0, 20-21.) Therefore, even if ATXI 345 kV line within the Meredosia to Pawnee segment were damaged in a severe storm, the Meredosia Substation would stay in service via its two other 345 kV connections from Ipava and Quincy, and the Pawnee Substation would remain energized via its connections with either Pana or Kincaid. This means that even if the Meredosia to Pawnee segment of the 345 kV line were to experience an outage, distribution substations supplied by the 138 kV from Meredosia or Pawnee Substations would remain energized. Furthermore, a review of ATXI Ex. 4.2 reveals that AIC's existing 138 kV line that parallels the MSCLTF Route is connected to the existing Meredosia Substation and the existing Pawnee Substations, and so can be supplied from either. Therefore, an outage along AIC's existing 138 kV line

between Meredosia and Pawnee Substations can be isolated and the line can supply distribution substations from either. Use of the MSCLTF Route would not result in longer customer interruptions due to damage to AIC's 138 kV line, even if both the 345 kV and 138 kV simultaneously experienced damage.

In summary, for the Meredosia to Pawnee segment, the ALJPO concludes that paralleling AIC's existing 138kV transmission line for a greater distance causes the MSCLTF Route to be less reliable. It is clear that this conclusion should be rejected. Importantly, the table on page 18 of the ALJPO indicates that ATXI's Stipulated Route is 18.3 miles longer than the MSCLTF Route. The reliability risks associated with an unnecessary 18.3 miles of transmission line, which will be exposed to the same severe storms as a transmission line along the MSCLTF Route, far outweigh any alleged reliability risks associated with the shorter and less costly MSCLTF Route. Since it is about 30% longer, ATXI's Stipulated Route would result in about 30% more 345 kV transmission facility exposure during severe storms, while simultaneously increasing project construction costs by over $36 million while impacting far more landowners and residences. (Staff Ex. 4.0, 2.) The evidence demonstrates that constructing the 345 kV transmission line using a 150-foot wide right-of-way along the MSCLTF Route, which parallels and adjoins AIC's existing 138 kV line's right-of-way, would be the least cost alternative for the Meredosia to Pawnee segment of the Illinois Rivers Project.

Accordingly, the Commission should make the following additional modifications to the Commission Conclusion section:

1. To the first paragraph of the Commission Conclusion on page 26 of the ALJPO:

> The Commission notes that the parties agree that the MSCLTF route is shorter, less costly, involves fewer historical resources, and has

fewer landowners involved. The Commission believes that the issues presented for this segment of the transmission line project are fairly straightforward. Should the Commission adopt the MSCLTF route which is shorter, less expensive, and appears to have fewer impacts on homes and farms; or adopt the Stipulated Route which avoids extensive paralleling of an existing transmission line ~~and reduces by un-quantified amount the risk of a major outage~~?

2. To the three paragraphs of the Commission Conclusion beginning on page 27 and including the first two paragraphs on page 28:

It is the criterion of "Presence of Existing Corridors," and the corollary issues surrounding it presented for this segment of the line, that presents the most difficulty for the Commission. The MSCLTF Route is proposed to parallel, for most of its length, an existing transmission line, resulting in a shorter and less costly segment. ATXI, however, claims that ~~this~~ extensive paralleling ~~will~~can create certain operational problems that would be avoided by less extensive paralleling of the existing line. ATXI points to evidence in this case that demonstrates the capability of the existing 138 kV circuits in any given area is quite different, that common mode failures can occur, and when they occur in areas where the system is less robust, more customers can suffer outages. ATXI claims the area for this segment is less robust than other areas where some paralleling will occur. ATXI notes that the horrific tornados that tore through central Illinois this past November make clear the risk facing AIC customers. ATXI submits that a double circuit tower line, with a 138 kV circuit and a 69 kV circuit, was knocked down in the Peoria area, while other 138 kV lines were downed, and in the Kansas area a 345 kV circuit experienced the destruction of five structures and damaged conductors. ATXI does not consider this type of risk worth the potential cost savings to adopt the MSCLTF route for this segment.

The Commission also notes that ATXI witness Hackman testified that paralleling does not reduce operation and maintenance expenses. He testified that with paralleling lines, maintenance of either line may require both lines to be taken out of service due to their proximity. Mr. Hackman testified that paralleling is “undesirable from an operations perspective” for this reason, and having two lines down risks the reliability of the system at large. He also noted that adjoining rights of way are susceptible to common-mode failures, such as weather events.

As the criteria are weighed, it is clear to the Commission that the deciding factor for this segment is balancing the cost of each route against alleged potential operational reliability. The Commission is presented with one route which is clearly shorter, cheaper, enjoys acceptance by more

parties, and involves fewer landowners; but ~~possibly~~ according to ATXI could present~~s~~ operational issues should a massive storm hit the area where the parallel lines would exist. The Commission also has a choice of a longer, more expensive route, which involves more landowners; impacts more residences; enjoys acceptance by fewer parties; but ~~avoids~~reduces the chance of a large storm taking out two nearby transmission lines. In the Commission's view, providing utility service at least cost is important. Even more important~~, however,~~ is providing safe and reliable service to utility customers. While the Commission does not make this choice lightly, given the far greater cost and additional exposure of transmission facilities associated with the longer Stipulated Route supported by ATXI, it appears that the more reasonable choice, and the one supported by the law and the evidence, is to approve the ~~Stipulated Route supported by ATXI~~MSCLTF route. ~~The Commission finds the testimony of AXTI witness Hackman to be particularly convincing regarding potential operational difficulties associated with the MSCLTF Route. The Commission finds that avoiding the extensive paralleling associated with the MSCLTF Route is in the best interests of customers and worth the incremental costs associated with the Stipulated Route.~~

VII. EXCEPTION 6: LOCATION OF MT. ZION SUBSTATION

The ALJPO correctly identifies Staff's recommendation for the location for Mt. Zion Substation: however, a related recommendation from Staff was not reflected in the ALJPO. Since the ALJPO determines that ATXI should construct the Mt. Zion Substation at Staff's Option #2 substation site, AIC will need to construct new 138 kV transmission lines from that site to the PPG substation site before any project benefits will be realized in the Decatur area. (Staff Ex. 4.0, 8.) Similar to the Final Order in Docket No. 12-0080, the Commission's Final Order should include a requirement that ATXI use structures that are capable of supporting both the 345 kV and AIC's 138 kV transmission lines where those lines will have common routes.

The Commission should make the following addition at the end of the "Staff Position" section on page 33 of the ALJPO:

> Staff also recommends that the Commission, as it did in Docket No. 12-0080, require ATXI to utilize double circuit structures for its 345 kV transmission line in locations where the ATXI 345 kV route and AIC 138 kV route will be the same. AIC is not a party in this docket, and the route for AIC's 138 kV lines are not being considered in this docket, but that fact does not prevent ATXI and AIC from capturing cost savings associated with sharing structures for new lines to be constructed on the same route. The Commission's should require ATXI to use structures capable of supporting both the 345 kV and 138 kV transmission lines whenever doing so would reduce impacts on area landowners and not impose unacceptable reliability risks.

The "Commission Conclusion" section relating to the location of the Mt. Zion Substation does not address Staff's recommendation that ATXI use structures that would support the proposed 345 kV and 138 kV transmission lines to be constructed by ATXI and AIC. The Commission should make the following paragraph be added to the Commission Conclusion section on page 35 of the ALJPO:

> As it did in Docket No. 12-0080 for the three miles south of the Bondville Route 10 substation where ATXI and AIC will share a common route for their respective transmission lines, the Commission orders that ATXI use structures capable of supporting both its 345 kV and AIC's 138 kV transmission lines that extend from the Mt. Zion substation site in locations where ATXI's 345 kV transmission line and AIC's 138 kV transmission line will share the same route and doing so will not impose unacceptable reliability risks.

VIII. EXCEPTION 7: IPAVA SUBSTATION SITE

The ALJPO's conclusion to approve ATXI's proposed construction of an entirely new substation .5 mile east of AIC's existing Ipava Substation, (ALJPO, 79-80), should be rejected. Space exists at AIC's existing Ipava substation to install a four-position ring bus (ATXI Ex. 9.0(RH), 6.), which would provide ATXI with a spare 345 kV position for future use, and which ATXI intends to install at its proposed new substation. (ATXI RB(RH), 29-30.) ATXI presently has no need for any spare positions, and has no

known future need either. (Staff IB(RH), 18-19.) It is not clear how the Commission's approval of ATXI's unneeded new substation east of Ipava would comply with Section 8-406.1(f)(1) of the Act, which requires that the approved project be necessary and least cost. Constructing an entirely new Ipava substations simply to tie two 345 kV lines together is neither necessary nor least cost. (Staff Ex. 3.0, 12-13.) ATXI's expansion of AIC's existing substation at Ipava would adequately meet all foreseeable customer needs. (Staff RB(RH), 18-19.)

The Commission should make the following modifications to the Commission Conclusion on pages 79-80:

> The Commission notes that ATXI is proposing a new substation for the Ipava location of the project based on ~~expected~~ future demand for transmission at this location. Staff however believes that ~~this expansion~~ construction of a new substation at a new substation site is unnecessary ~~at this time~~, and the future needs ~~is undetermined at this time~~can be adequately met by expanding AIC's existing Ipava Substation. ATXI plans to build a new substation at this time and install a four position ring bus, and ATXI agrees that it could construct a four-position ring bus at the location of AIC's existing Ipava substation. ATXI, however, opines that t~~T~~he substation ~~w~~should be sized to accommodate a future six position breaker-and-a-half configuration to allow for up to three spare 345kV positions.
>
> T~~While t~~he Commission appreciates Staff's concern, as it seems ~~somewhat short-sighted, and perhaps a false economy to limit~~ the Ipava substation that ATXI proposes is unnecessary both initially and for the foreseeable future, as Staff ~~desires~~points out. The Commission believes the better course based on the evidence presented is to deny~~approve~~ the ATXI plans for the new Ipava substation site. It appears to the Commission that ~~in the long-run this will be~~ATXI's expansion of AIC's existing substation site to a four position ring bus, as Staff recommends, is the least-cost alternative.

In addition, with regard to this Exception 7, the following modification to the sixth Findings and Ordering Paragraphs should be made:

(6) the proposed new or expanded substations at Kansas, Sidney, Rising, ~~Ipava,~~ Pana, and Mt. Zion should be approved at the locations identified in the prefatory portion of this Second Order on Rehearing; the proposed new substation at Ipava is not approved;

IX. CONCLUSION

WHEREFORE, for the reasons set forth in this BOE, Staff respectfully requests that the Commission's Order in this proceeding reflect all of Staff's recommendations regarding modifications to the PO for this 2nd Rehearing.

Respectfully submitted,

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